

CARLSON LEROY T JR
 Form 5
 January 19, 2010

FORM 5

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
CARLSON LEROY T JR

2. Issuer Name and Ticker or Trading Symbol
TELEPHONE & DATA SYSTEMS INC /DE/ [TDS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2009

Director 10% Owner
 Officer (give title below) Other (specify below)
 President and CEO

30 N. LASALLE ST., STE. 4000

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

CHICAGO, IL 60602

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | (A) or (D) | Amount | Price | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|------------|--------------------|-------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
| Common Shares | Â | Â | Â | Â | Â | Â | Â | 4,821.0666 | D | Â |
| Special Common Shares | 12/16/2009 | Â | G | 8,308 | D | \$ ₍₁₀₎ | 37,059.6279 | | D | Â |
| Common Shares | Â | Â | Â | Â | Â | Â | 1,158.011 | | I | By wife |
| Special Common | Â | Â | Â | Â | Â | Â | 6,444.2514 | | I | By Wife |

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| Shares | | | | | | | | | |
|-----------------------|------------|---|------------------|-------|---|-------------------|----------------------------------|---|-----------------|
| Common Shares | 12/31/2009 | Â | J ⁽⁵⁾ | 30.2 | A | \$ ⁽⁵⁾ | 9,261.07 | I | By 401K plan |
| Special Common Shares | 12/31/2009 | Â | J ⁽⁵⁾ | 85.05 | A | \$ ⁽⁵⁾ | 8,315.62 | I | By 401K plan |
| Special Common | Â | Â | Â | Â | Â | Â | 1,813,931.5404 ⁽⁷⁾ | I | By Voting Trust |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 2270
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Underlying Security (Instr. 3 and 4) |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|-----|----------------------------------------------------------|-----------------|---------------------------------------------------|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | |
| Option (Right to buy) | \$ 105.13 | Â | Â | Â | Â | Â | 12/15/2000 | 05/05/2010 | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 121.12 | Â | Â | Â | Â | Â | Â ⁽⁴⁾ | 09/16/2010 | Tnadem Common and Special Common Shares |
| Option (Right to buy) | \$ 99.44 | Â | Â | Â | Â | Â | 12/15/2001 | 04/30/2011 | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 60.2 | Â | Â | Â | Â | Â | 12/15/2002 | 08/19/2012 | Tandem Common and Special |

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| | | | | | | | | | | |
|------------------------|----------|------------|---|---|---------|---|---------------|---------------|--|-----------------------------------------|
| | | | | | | | | | | Common Shares |
| Option (Right to buy) | \$ 52.92 | Â | Â | Â | Â | Â | 12/15/2003 | 07/03/2013 | | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 66 | Â | Â | Â | Â | Â | 12/15/2004 | 05/08/2014 | | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 77.36 | Â | Â | Â | Â | Â | 12/15/2005 | 04/20/2015 | | Tandem Common and Special Common Shares |
| Option (Right to buy) | \$ 49.8 | Â | Â | Â | Â | Â | 12/15/2006 | 12/13/2016 | | Special Common Shares |
| Option (Right to buy) | \$ 59.45 | Â | Â | Â | Â | Â | 12/15/2007 | 07/02/2017 | | Special Common Shares |
| Option (Right to buy) | \$ 35.35 | Â | Â | Â | Â | Â | Â <u>(8)</u> | 08/26/2018 | | Special Common Shares |
| Option (Right to buy) | \$ 26.95 | Â | Â | Â | Â | Â | Â <u>(11)</u> | 05/21/2019 | | Special Common Shares |
| Restricted Stock Units | Â | Â | Â | Â | Â | Â | 12/15/2010 | Â <u>(9)</u> | | Special Common Shares |
| Restricted Stock Units | Â | Â | Â | Â | Â | Â | 12/15/2011 | Â <u>(12)</u> | | Special Common Shares |
| Series A Common Shares | Â | Â | Â | Â | Â | Â | Â <u>(1)</u> | Â <u>(1)</u> | | Common or Special Common Shares |
| Deferred Compensation | Â | 12/31/2009 | Â | J | 158.127 | Â | Â <u>(3)</u> | Â <u>(3)</u> | | Common Shares |
| | Â | 12/31/2009 | Â | J | 374.35 | Â | Â <u>(6)</u> | Â <u>(6)</u> | | |

Deferred
Compensation

Special
Common
Shares

Series A
Common
Shares

^ ^ ^ ^ ^ ^ ^ (1) ^ (1)

Common
or Special
Common
Shares

Series A
Common
Shares

^ ^ ^ ^ ^ ^ ^ (1) ^ (1)

Common
or Special
Common
Shares

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|-------------------------------------------------------------------------|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| CARLSON LEROY T JR 30 N. LASALLE ST., STE. 4000 CHICAGO, IL 60602 | X | | President and CEO | |

Signatures

Julie D. Mathews, by power
of atty 01/19/2010

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Series A Common shares are convertible, on a share-for-share basis, into common or special common.
Reporting person is one of four trustees which is record owner of these shares which files its holdings on forms 4. Of these Series A Common shares, 84,360.87 (including 16894.87 acquired in dividend reinvestment) are held as custodian for children and 9120.8 (including 1163.8 acquired in dividend reinvestment) are held by spouse, and 686,786.385747 (including 16,789.385747 acquired in dividend reinvestment) shares are held by a family partnership of which reporting person is a general partner. Of the remaining shares, 2764.74 were earned pursuant to a dividend reinvestment plan. Reporting person disclaims beneficial ownership of shares owned by wife and as custodian for children. In addition, 862,693 Series A common Shares owned by family limited partnership of which reporting person and his spouse each hold 500 general partnership interests and collectively hold 99,000 limited partnership interests.
- (3) Reporting person deferred bonuses pursuant to the TDS Long Term Incentive Plan. Employer matches vest ratably at a rate of 33%, 33%, 34% over three years. A total of 12,631.75 common shares units were vested at 12/31/09.
- (4) Granted under the TDS 1998 Long Term Incentive Plan. The option is exercisable with respect to 14,180 common shares on 12/15/01, 12/15/02, 12/15/03 and 12/15/04 for a total of 56,720 common shares.
- (5) Voluntary reporting of shares acquired in 2009 in the TDS 401K. The information is based on a plan statement dated 12/31/09. The number of shares fluctuates and is attributable to the price of the shares on 12/31/09.
- (6) Reporting person deferred bonuses pursuant to the TDS Long Term Incentive Plan. Employer matches vest ratably at a rate of 33%, 33% and 34% over three years. A total of 27,510.94 special common share units were vested at 12/31/09.
- (7) Reporting person is one of four trustees which is record owner of these shares which files its holdings on forms 4. Of these Special Common shares, 84,438.23 (including 16972.23 acquired in dividend reinvestment) are held as custodian for children and 13449.16 (including 1178.16 acquired in dividend reinvestment) are held by spouse, and 685,394.25047 including 15397.425047 acquired in dividend reinvestment) shares are held by a family partnership of which reporting person is a general partner. Of the remaining shares,

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0.9 were earned pursuant to a dividend reinvestment plan. Reporting person's GRAT owns 513,154 and wife's GRAT owns 320,410. Reporting person disclaims beneficial ownership of shares owned by wife and as custodian for children.

- (8) Granted under the 2004 Long Term Incentive Plan. Options vest over a 3 year period with one-third vesting on Aug. 26, 2009, one-third vesting on Aug. 26, 2010 and one-third vesting Aug. 26, 2011.
- (9) Restricted stock unit award pursuant to Long Term Incentive Plan. Stock units will become vested on Dec. 15, 2010.
- (10) By gift
- (11) Granted under the Long-Term Incentive Plan. Options vest over a 3 year period with one-third becoming exercisable on the first anniversary, one-third on the second anniversary and one-third becoming exercisable on the third anniversary.
- (12) Restricted stock unit award pursuant to the Long-Term Incentive Plan. Stock units will become vested on December 15, 2011.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.